

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 895 - HB 1180

March 13, 2013

SUMMARY OF BILL: Reinstates the Tennessee Racing Commission. Creates a commission of seven members, each appointed by the Governor for the purpose of maintaining integrity and honesty in racing. Sets requirements and expectations for Commission members. Members will not be compensated, but will be reimbursed for travel, lodging, meals, and other necessary expenses. Authorizes the Commission to hire secretaries, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, security personnel, and other employees deemed by the Commission to be essential in connection with any race meeting. Requires each member of the Commission to furnish a corporate surety bond, payable to the state, in the amount of \$50,000. Authorizes the Commission to impose a civil penalty up to \$10,000 upon an individual in violation of rule or regulation imposed by the Commission.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$190,500/FY13-14/Racing Commission
\$177,700/FY14-15 and Subsequent Years/Racing Commission**

**Increase State Expenditures - \$190,500/FY13-14/Racing Commission
\$177,700/FY14-15 and Subsequent Years/Racing Commission**

Assumptions:

- There will be seven commission members.
- It is estimated that there will be a Commission meeting held monthly, or 12 meetings annually.
- It is assumed that meetings of the Commission will be held in Nashville and any necessary hearings on violations will be conducted during such regularly-scheduled meeting.
- Members will be reimbursed for travel expenses in accordance with the comprehensive travel regulations determined by the Department of Finance and Administration. Members will be reimbursed \$0.47 a mile; however it is unknown how far away such members must travel. On average, such travel costs \$124, round-trip.
- Members will receive a per diem of \$190 (travel: \$124 + meals/incidentals: \$66), resulting in annual expenditures for holding meetings of \$15,960 (\$190 x 7 members x 12 meetings).
- The Commission will hire an executive director position and a counsel position. The executive director position will result in recurring expenditures of \$92,837 (\$70,884


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salary + \$10,654 benefits + \$5,999 insurance + \$2,000 phone and network costs + \$2,700 office lease + \$600 supplies).

- The counsel position will result in recurring expenditures of \$68,874 (\$50,052 salary + \$7,523 benefits + \$5,999 insurance + \$2,000 phone and network costs + \$2,700 office lease + \$600 supplies).
- Total one-time costs for both positions are estimated to be \$7,800 (\$3,300 computers and set-up + \$4,000 landscaping + \$500 printing). There will also be one-time costs of \$5,000 for rule-making hearings. The total increase in one-time costs will be \$12,800.
- Total expenditures are estimated to be \$190,471 (\$15,960 + \$92,837 + \$68,874 + \$12,800) in FY13-14 and \$177,671 (\$15,960 + \$92,837 + \$68,874) in FY14-15 and subsequent years.
- The Commission is required to be self-supporting; therefore, fee and fine revenue in an amount sufficient to cover the cost will have to be collected resulting in increased revenue of \$190,500 in FY13-14 and \$177,700 in FY14-15 and subsequent years.
- The surety bonds submitted by Commission members will not be invested, but will be held as collateral.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb